

THE COMMITTEE ON THE BUDGET

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A CLEAR DISTINCTION REPUBLICAN AND DEMOCRATIC BUDGETS COMPARED

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| THE DEMOCRATIC BUDGET | THE REPUBLICAN BUDGET |
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| <p>Higher Taxes</p> <ul style="list-style-type: none"> - Includes a tax hike of \$683 billion, the largest in American history. - Raises marginal rates for all workers; eliminates 10-percent bracket for low-income earners; increases taxes \$500 per child; reimposes the marriage penalty and death tax; and eliminates incentives for investment in U.S. businesses. - Jams a \$70-billion tax increase to “pay for” a 1-year (tax year 2008) alternative minimum tax [AMT] “patch” – as if this patch were a new tax cut; does nothing about AMT in 2009-13. | <p>No Tax Increases</p> <ul style="list-style-type: none"> - Prevents the largest tax increase in history, by extending 2001/2003 tax relief provisions. - Contains no increases in marginal rates; no increases in taxes per child; no restoration of the marriage penalty or death tax; no increases in capital gains or dividends tax rates; and no expiration of other provisions of the 2001 and 2003 laws. - Prevents expansion of the AMT for the next 3 years; begins phasing in repeal in 2012; achieves full repeal in 2013. |
| <p>Higher Spending</p> <ul style="list-style-type: none"> - Increases discretionary spending 8.8 percent over 2008, including an additional \$23.4 billion in non-security spending above the President (\$280 billion over 5 years). - Promises at least \$100 billion in new spending through “reserve funds,” likely to be financed with additional tax hikes. | <p>Spending Control</p> <ul style="list-style-type: none"> - Holds discretionary spending growth to 4.3 percent, while funding priorities. - Accommodates increases equal to or greater than the President and Democrats in Defense, Veterans health care, and Homeland Security. |
| <p>Failure on Earmarks</p> <ul style="list-style-type: none"> - Does nothing to curtail the proliferation of earmarks, after Democrats approved 11,234 of them, totaling \$14.8 billion, in fiscal year 2008 appropriations. | <p>Earmark Moratorium</p> <ul style="list-style-type: none"> - Imposes a 1-year moratorium on earmarks, and dedicates the \$14.8 billion in savings to help keep taxes low and balance the budget. |
| <p>Failure on Entitlements</p> <ul style="list-style-type: none"> - Ignores the looming entitlement crisis, jeopardizing the long-term health and retirement safety net. - Allows the unfunded liability in Medicare and Social Security to grow by \$14 trillion, or 37 percent, imposing more than \$40,000 in new long-term debt on every American. | <p>Meets Entitlement Challenge</p> <ul style="list-style-type: none"> - Takes steps to rescue Medicare and Medicaid from unsustainable rate of spending growth. - Includes common sense reforms to ensure the health and retirement safety net is intact for seniors and future generations. |

